

NONCOMPLIANCE REPORT

Attachment to Atlanta Gold Corporation's Discharge Monitoring Reports

March 2019 – There was only one exceedance event for the month that occurred on March 11th which produced an arsenic concentration of 16 ug/L. All other arsenic results for the month were all in compliance. The highest iron concentration was 100 ug/L which is well below the limit of 1000 ug/L.

Atlanta Gold Corporation immediately looked into the cause of this exceedance by reviewing the daily reports, discussing the spike with the on-site personnel to determine what might have caused it and reviewing the precipitation records. After checking the precipitation and snow water accumulation records for this date, the records indicated that the Atlanta Summit readings were higher than both the average precipitation and median snow water accumulation listed in the records (1981-2010). This may have caused the spike since sampling the following week showed that results were back down to 6 ug/L.

There was a similar event last year around this same time period and we've recently seen the flow levels start to increase.

May 2019 – The arsenic concentrations during the first two weeks were 38 ug/L and 13 ug/L. Although they exceeded the limits, the last two weeks showed the arsenic levels went back down to 10 ug/L and then 9 ug/L.

In reviewing the records, it appears that there may have been activity underground that caused these spikes. The influent flow was 80.2 gpm on the first sampling day and the next day it increased to 102.9 gpm. The influent flow continued increasing for a few days up to 111 gpm and then dropped almost in half to 64.9 gpm before it started rising again five days later to 228.7 gpm.

June 2019 – The arsenic concentrations for the effluent for June were 28 ug/L, 11 ug/L, 10 ug/L and 17 ug/L. We are not sure of the reasons for the slight increase in arsenic but will do some checking.

July 2019 – During the month of July, we experienced an up and down with the arsenic levels coming out of the effluent weir - 16 ug/L, 14 ug/L, 25 ug/L, 34 ug/L and then 26 ug/L. The July 8th lab results for the 900 Adit – behind the Bulkhead sampling site were extremely higher than the week before and the week after. In discussions with the lab, it was stated that due to the amount of sediment the lab had to perform a digestion on this particular sample which is abnormal for this sampling site. This may be indicative of underground activity in the adit tunnel.

August 2019 – There was an increase in the weekly effluent discharges for arsenic from 44 ug/L for August 5th to 62 ug/L for August 26th. While there may be some underground activity contributing to this increase, AGC has also experienced some financial issues that have affected the Pilot Water Treatment Facility (PWTF). Due to the inability to pay a former employee, that former employee removed equipment that was required to maintain the PWTF. AGC is making every effort to keep effluent levels as low as possible with the resources available to them while continuing to seek financial support for the Atlanta project.